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County of Santa Barbara Planning and Development

John Patton, Director

October 5, 2000

Department of the Interior
Mineral Management Service
Mail Stop 4024
381 Elden Street
Herndon, Virginia 20170-4817
Attention: Rules Processing Team

RULES PROCESSING TEAM

OCT 10 2000

RE: Proposed Rule Changes for Decommissioning Activities – 30 CFR Part 250

Attention: Rulemaking Staff

The Energy Division of the Santa Barbara County's Planning and Development Department has reviewed the proposed rule making changes regarding Decommissioning Activities in the Outer Continental Shelf and would like to provide the following comments for your consideration. Overall, the rule changes do not sufficiently address the issue of an operator that may delay abandonment indefinitely in order to avoid the significant costs of platform removal. The language requiring removal is only triggered by termination of the lease or right of way relinquishment. The Department of the Interior should have the opportunity to review the projects and make a determination as to whether the facility is operating economically and whether MMS should trigger the relinquishment or termination of the lease agreement.

Additionally, the County is concerned that the proposed rulemaking does not seem to recognize that a successful Rigs to Reef program must include the option of platform removal and placement on a previously designated artificial reef. While some habitat may develop over time at the rig location, this does not necessarily mean that the original location of the rig is the most appropriate for a reef area. This seems to assume that the oil companies were able to place their rigs in the most suitable location for a reef at the time of installation.

The proposed regulations on decommissioning of offshore facilities, including pipelines and platforms, should also provide guidance on decommissioning of subsea power cables. Otherwise, it remains unclear whether and when such cables might be permitted to be abandoned in-place, or when it might be more appropriate and environmentally sound to remove such cables.

We are providing you with detailed comments below and have also enclosed a copy of our July 3, 2000 *Draft Abandonment of Oil and Gas Fields Offshore Santa Barbara County and Related Infrastructure*. This document includes a series of recommendations for offshore decommissioning activities that you should find helpful in your rulemaking. In addition, we would be more than happy to assist you with any questions you may have on the above mentioned document or our comments.

Energy Division

1226 Anacapa Street, 2nd Floor · Santa Barbara CA 93101-2010
Phone: (805) 568-2040 Fax: (805) 568-2522

Our specific comments on the relevant sections are as follows:

§250.1700(b). Please expand the definition of obstacles to include the following objects. Marine growth such as shell mounds that accumulated on and around a subsea structure used in oil, gas, or sulphur operations or that accumulated during the removal of such structures. Debris left behind in vessel traffic lanes predominately used to service offshore structures dedicated to oil, gas, or sulphur operations.

§250.1703. This section needs to include a requirement for lease termination or some sort of review mechanism to prevent operators from indefinitely delaying proper decommissioning by continuing to operate at uneconomical or very low levels. The term of "facilities no longer useful" to trigger decommissioning does not provide the Department of the Interior with the ability to determine when a platform and ancillary facilities need to be abandoned. It seems to allow the operator to make the determination of when facilities may no longer be useful. As a suggested mechanism to accomplish this, the MMS may require a review of the lease agreement once the operator reaches a minimum level of production (3% or less). The review may dictate that decommissioning is warranted or it may conclude that the operator is entitled to continue operations based on economical and environmental reasons.

§250.1704. Decommissioning Application Schedule, second column, row (a). How would the MMS RS reasonably enforce this provision, considering the uncertainties involved in predicating when operations will cease?

§250.1704. Decommissioning Application Schedule, second column, row (b). Differing from row (a), the schedule proposed in row (b) does not require timely accountability by the operator. It seems prudent that, if the initial application must be submitted two years prior to ceasing operations, then the final application should be due two years after the first deadline, which would be the anticipated end of production. Some discretion could be provided to the RS to approve extensions to the final deadline provided the operator shows good cause.

§250.1713. This section should specify that the operator shall not leave wellheads and casing above the mudline. This would limit the latitude of the alternate removal depth and ensure that no obstructions are left on the seafloor.

§250.1715. This section needs to include a requirement to remove drilling piles or shell mounds from the base of the platform if required by the Department. This decision should be based on trawlability of the site, potential for release of contaminants in the future from the drilling piles, and other environmental considerations.

§250.1716. This section needs to prescribe removal of pipelines that may be unburied, sitting on the sea floor and that may become obstructions to trawling or cause anchoring snags.

§250.1718. Subsection (f). Please see the above comment on **Section 250.1703** to address timely decommissioning by the operators. Subsection (f)(2) needs to specify the requirements for considering a waiver for conserving the structure as an artificial reef. The requirements should also include

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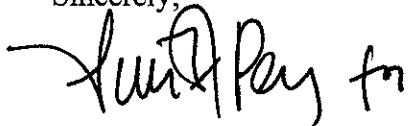
consideration of whether removal and placement in a previously designated artificial reef site is more appropriate.

§250.1722. As stated above, removal and placement of structures in an area previously designated as an artificial reef area should be considered the number one option for a reefing proposal if determined environmentally and biologically beneficial. Subsection (c) needs to allow for the operator, not the state, to retain the liability for the structure if left as an artificial reef. If the structure is removed and taken to a designated reefing location, then the state can retain liability.

§250.1724. This section needs to specify that pipelines can only be left in place when they are buried.

Thank you for the opportunity to comment. Please direct any questions to Luis Perez or Doug Anthony of my staff. They can be reached at (805) 568-2040.

Sincerely,

A handwritten signature in black ink, appearing to read "Alice McCurdy", with a stylized flourish at the end.

Alice McCurdy
Deputy Director

Attachment (mail copy only)

g:\...policy\4j Rule Changes on Decommissioning Activities.doc